

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 ISO-00 INT-05 OES-07 L-03

COME-00 STR-04 GSA-02 SP-02 CIAE-00 INR-07

NSAE-00 /059 W

-----074747 270321Z /72

R 281600Z AUG 77

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 6847

INFO AMCONSUL JOHANNESBURG

LIMITED OFFICIAL USE LA PAZ 6777

FOR:DEPT PASS INTERIOR BUREAU OF MINES

E.O. 11652: N/A

TAGS: EMIN, BL

SUBJECT: ANTIMONY

REF: LA PAZ 5552

1. THERE HAVE BEEN A NUMBER OF FRONT PAGE ARTICLES IN LA PAZ PRESS OVER THE PAST FEW DAYS ABOUT THE CRISIS IN ANTIMONY. CRISIS CONSISTS OF LARGE STOCKS, LOW PRICES AND LACK OF ANTIMONY SALES. ANTIMONY PRODUCTION IN FIRST SIX MONTHS OF 1977 COMPARED TO SAME PERIOD OF 1976 IS FOLLOWING: 1,613 MT AT \$2,779,999 AND 4,118 MT AT \$6,751,506 FOR THE MEDIUM MINERS; 1,786 MT AT \$2,965,346 AND 3,225 MT AT \$4,965,346 FOR SMALL MINER; OTHER EXPORTERS SOLD 689 MT AT \$916,537 AND 1,046 MT AT \$1,459,797; COMIBOL DOES NOT PROJECT ANTIMONY BUT BAMIN (BANCO MINERO) IS A BIG BUYER AND MARKETER FOR SMALL MINERS AND ENAF SMELTS AND REFINES ANTIMONY.

2. ACCORDING TO MANAGER OF BANCO MINERO, HUGO URIONA, NO BOLIVIAN ANTIMONY HAS BEEN SOLD IN THE LAST THREE MONTHS AND BAMIN IS ACCUMULATING LARGE STOCKS (SEE REFTTEL). HE SAID  
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BEFORE CREATING AN INTERNATIONAL ANTIMONY COUNCIL THAT A CONSULTING COMPANY SHOULD BE CALLED UPON TO DO AN ANTIMONY MARKET STUDY. RE AN INTERNATIONAL AGREEMENT, URIONA SAID THAT MURCHISON OF SOUTH AFRICA HAD MADE A PROPOSAL AS HAD CAMARA DE MINERIA DE BOLIVIA (SMALL MINERS). BAMIN RESPONDED TO A NOTE SENT BY THE CAMARA DE MINERIA ASKING FOR AUXILIARY FINANCING BUT NEITHER NOTE NOR BAMIN REPSONSE WERE MADE PUBLIC.

3. COMMENT: A NUMBER OF MEETINGS HAVE TAKEN PLACE RECENTLY AMONG BAMIN, MINISTRY OF MINES, SMALL AND MEDIUM MINERS TO ANALYZE ANTIMONY SITUATION AND A NUMBER OF REASONS HAVE BEEN GIVEN FOR THE "CRISIS" (SEE REFTEL). IT ESSENTIALLY SEEMS TO BE A PROBLEM OF OVER PRODUCTION (ESPECIALLY OF METAL, AS TRIOXIDE SEEMS TO BE SELLING WELL) AND A STAGNATION OR DECLINE IN SOME IMPORTANT USES. THERE HAS BEEN TALK OF FINDING NEW USES FOR ANTIMONY BUT NO PROGRAM FOR R AND D HAS YET EMERGED AND WILL PROBABLY AWAIT FORMATION OF SOME KIND OF ANTIMONY INSTITUTE OR PRODUCERS GROUP. RRA HEARD IN COCKTAIL CONVERSATION THAT SUBSECRETARY IN MINISTRY OF MINES REACTED NEGATIVELY IN MEETING AT MINISTRY TO IDEA OF A CONSUMERS-PRODUCERS GROUP IN ANTIMONY GIVEN THE RECENT BITTER EXPERIENCE WITH THE WORKINGS OF THE TIN COUNCIL. THIS IS NOT YET OFFICIAL POLICY BUT IS A DANGER SIGN THAT GOB SENTIMENT FAVORING PRODUCER-CONSUMER GROUPS AS OPPOSED TO PRODUCER GROUPS ONLY MAY BE UNDER STRAIN. URIONA CONFIRMED TO RRA THAT PROPOSALS OF THE CAMARA AND OF MURCHISON WERE FORMATION OF PRODUCER GROUPS. HOWEVER AT THIS POINT IT IS LIKELY THAT THEY ARE MORE ALONG THE LINES OF A STUDY GROUP OR INSTITUTE AIMED AT INFORMATION EXCHANGE AND SEARCHING FOR NEW USES. URIONA ASKED FOR CURRENT INFORMATION ON ANTIMONY TO PROVE TO PRODUCERS THAT DROP IN PRICE AND LACK OF DEMAND ARE REFLECTION OF REAL MARKET SITUATION AND NOT TEMPORARY SITUATION DUE TO SPECULATOR ACTIVITY. (BAMIN ALONE HAS 5,000MT ANTIMONY IN LIMITED OFFICIAL USE

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STOCK). EMBASSY WOULD APPRECIATE RECEIVING INFORMATION FROM STATE AND BUREAU OF MINES ON CURRENT ANTIMONY SITUATION AND OUTLOOK. ALSO IF B OF M IS DOING ANY RESEARCH ON NEW USES OF ANTIMONY.  
BEAL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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